

**§ 309.33 Debtor's failure to respond.**

If the debtor fails to respond to the notice described in § 309.32 (c) by the proposed effective date specified in the notice, the Peace Corps may take further action under this part or the FCCS under 4 CFR parts 101 through 105. Peace Corps may collect by administrative offset if the debtor:

- (a) Has not made payment by the payment due date;
- (b) Has not requested a review of the claim within the agency as set out in § 309.34; or
- (c) Has not made an arrangement for payment by the payment due date.

**§ 309.34 Agency review.**

(a) A debtor may dispute the existence of the debt, the amount of the debt, or the terms of repayment. A request to review a disputed debt must be submitted to the Peace Corps official who provided notification within 30 calendar days of the receipt of the written notice described in § 309.32(c).

(b) The Peace Corps will provide a copy of the record to the debtor and advise him/her to furnish available evidence to support his or her position. Upon receipt of the evidence, the Peace Corps will review the written record of indebtedness and inform the debtor of its findings.

(c) Pending the resolution of a dispute by the debtor, transactions in any of the debtor's accounts maintained by the Peace Corps may be temporarily suspended. Depending on the type of transaction the suspension could preclude its payment, removal, or transfer, as well as prevent the payment of interest or discount due thereon. Should the dispute be resolved in the debtor's favor, the suspension will be immediately lifted.

(d) During the review period, interest, penalties, and administrative costs authorized under the Federal Claims Collection Act of 1966, as amended, will continue to accrue.

**§ 309.35 Hearing.**

(a) A debtor will be provided a reasonable opportunity for an oral hearing when:

- (1)(i) By statute, consideration must be given to a request to waive the indebtedness;

- (ii) The debtor requests waiver of the indebtedness; and

- (iii) The waiver determination rests on an issue of creditability or veracity; or

(2) The debtor requests reconsideration and the Peace Corps determines that the question of indebtedness cannot be resolved by reviewing the documentary evidence.

(b) In cases where an oral hearing is provided to the debtor, the Peace Corps will conduct the hearing, and provide the debtor with a written decision.

**§ 309.36 Written agreement for repayment.**

If the debtor requests a repayment agreement in place of offset, the Peace Corps has discretion and should use sound judgment to determine whether to accept a repayment agreement in place of offset. If the debt is delinquent and the debtor has not disputed its existence or amount, the Peace Corps will not accept a repayment agreement in place of offset unless the debtor is able to establish that offset would cause undue financial hardship or be unjust. No repayment arrangement will be considered unless the debtor submits a financial statement, executed under penalty of perjury, reflecting the debtor's assets, liabilities, income, and expenses. The financial statement must be submitted within 10 business days of the Peace Corps' request for the statement. At the Peace Corps' option, a confess-judgment note or bond of indemnity with surety may be required for installment agreements. Notwithstanding the provisions of this section, any reduction or compromise of a claim will be governed by 4 CFR part 103 and 31 CFR 5.3.

**§ 309.37 Administrative offset procedures.**

(a) If the debtor does not exercise the right to request a review within the time specified in § 309.34, or if as a result of the review, it is determined that the debt is due and no written agreement is executed, then administrative offset shall be ordered in accordance with this subpart without further notice.